HAMILTON MUNICIPAL DISTRESS.

The following documents appear in the English new papers as having been received from His Excellency the Governor General by the London Committee of the Hamilton Bondholders :—

Government House, Quebec, March 20th, 1863.

GENTLEMEN,—I am directed by the Governor General of Canada to acknowledge the receipt of your Memorial of March 17th, 1862, and to regret that through inadvertence you were not at the time apprised of his having received it.

The Memorial was referred on the 3rd of April to the Provincial Secretary for the consideration of the Provincial Government.

The Administration then in office resigned soon after, and the matter appears to have been overlooked by their successors.

I now have the honour to transmit to you a copy of a Minute of Council on the subject, together with a statement of the Mayor of Hamilton.

I have the honour to be, Gentlemen, your obedient servant,

(Signed,) DENIS GODLEY.

Messrs. Dawes and Sons.

Copy of a Report of a Committee of the Honourable the Executive Council, approved by His Excellency the Governor General on the 19th March, 1863.

On a despatch dated 21st February, 1863, from His Grace the Secretary of State for the Colonies, transmitting copy of a letter from the solicitor to the holders of certain bonds of the City of Hamilton, C. W., respecting the non-payment of interest thereon, and requesting that the applicants may be furnished with a reply to a previous application on the same subject, and that an account of the true merits and nature of the case may be also forwarded for His Grace's information ;

The Hon. the Attorney General, U. C., reports that, with respect to the request contained in the letter of the solicitor of the 17th March, 1862, which craves the attention of Your Excellency to the protection of the interests of the memorialists in any steps that may be taken ; that no movement has been made to alter or derange the existing legal claims or securities of the memorialists as against the City of Hamilton, and that, therefore, no interference on the part of the Government can be exercised.

That in regard to the letter of Messrs. Dawes and Sons, in which they allude to petitions being about to be presented to both Houses of the Legislature of Canada, in reference to the failure of the City of Hamilton to meet the interest due on the debentures mentioned, he, the Attorney General, whilst deeply regretting that any necessity should exist on the part of the debenture-holders, to submit any remonstrance, is unable to find that relief can be afforded by the Government.

That the law under which these debentures were authorized, and the mode of enforcing payment of both principal and interest, provides for the collection of arrears of interest and accruing sums, and remains unaltered ; and that there is no provision under which the Government of Canada can come to the relief of the memorialists.

That the usual supervision by the Government over any measures which may be introduced for legislative action, will no doubt be extended to any proceedings which may be brought forward during the present session, having for their object an alteration of the laws affecting the rights and interests of the memorialists.

The committee concur in the view expressed by the Hon. Attorney General, and submit the same for Your Excellency's approval.

(Signed,) WM. H. LEE, C. G. C.

COPY.—To His Excellency the Right Honourable Charles Stanley, Viscount Monck, Baron Monck of Ballytrammon, in the county of Wexford, Governor General of British North America, &c., &c., &c.

The Memorial of the Mayor and Deputation from the City of Hamilton,

HUMBLY SHEWETH,—That the present deputation was sent to the seat of Government by the City Council of Hamilton to satisfy Your Excellency and the other branches of the Legisla-

ture that Hamilton has always been, and is now willing and anxious, to do all in its power for its creditors, and to solicit the aid of the Provincial Executive as well as the Legislature to this great end upon the double plea that the financial distresses of Hamilton have arisen from faith not being kept with our city, by former Legislatures having violated the original agreement that the main trunk line of railway should pass through Hamilton, and that the financial distresses of Hamilton are now (from being misunderstood in England) inflicting most serious disgrace and discredit on the province generally, as well as the city of Hamilton.

That on being to-day honoured with an interview with Your Excellency, we explained the position and views of the city of Hamilton in detail, and were requested by Your Excellency to put the same on paper, which we now do as follows :—

1. The city of Hamilton is wrongfully accused of throwing impediments in the way of justice. It was impossible for the city, in the interest of its general creditors, not to prevent unnecessary sacrifice of property, nor is it in the city's power to alter (as was insisted on) the law which required primary instead of secondary evidence by distant claimants, although we can have no objection to this if the Legislature sees fit.

2. No difficulty has been intentionally thrown in the way of the Sheriff—in levying rates the assessment for the interest proposed by the Honourable J. H. Cameron for the present year was regularly made by the City Council, but the day for legally appointing collectors was inadvertently allowed to pass by during a most anxious discussion on the subject whether it was not the duty of the City Council in the interest of the general creditors (as opposed to the few judgment creditors) to avoid for the moment actually collecting the revenue, a course which would have put the money for the payment of this year's interest into a position to be garnished by creditors who had got judgment for principal which had fell due last year.

3. Though the Court of Queen's Bench was applied to for a mandamus none such was issued, the City Council's explanation being satisfactory to the judges of that court.

4. The reduction of the value of the Hamilton Debentures has not been caused by the action of the City Council, and would have been far greater had the Council followed the advice of its distant creditors to levy a rate to pay its whole arrears, as in such case the city, which had already lost more than a fourth of its inhabitants, would have been depopulated irretrievably.

5. The good policy and good intention of the City Council are now corroborated by the fact of the city having already got back much of the population it had lost, thus giving increased security to its creditors.

6. The City Council has felt justified by the improving prospects of the city to accept the terms offered on behalf of the city's creditors by the Hon. John H. Cameron, and will support the legislation required to secure the creditors what Mr. Cameron demands, although it is the general opinion in Hamilton that the settlement is more favourable to our creditors than ought to have been demanded, and than can be paid without threatening a rate of taxation which would continue to prevent all building and improvement, as has been the case for the last five years, no capitalist being willing to lay out money on property with the certainty that at least half the interest or rental of its increased value will be required for taxes per annum.

7. The City Council has also felt it due to its creditors to apply to the Executive Government of the Province for the Burlington Bay Canal, a public work which the city has hitherto refused to take over with the condition of keeping it up, so as to be able to levy tolls, and give the same in security to its creditors for their arrears if money cannot be raised on these for that purpose.

And your memorialists, as in duty bound, will ever pray.

(Signed,) On behalf of the deputation,

March 17, 1863. ROBERT MCELVOY, Mayor.

COPY.—To accompany the Memorial from Hamilton.—27th February, 1863.

(From the *Daily Spectator.*)

CENSUS OF THE CITY OF HAMILTON.—From the labours of the city assessors just completed we learn that there are now within the limits of Hamilton 22,134 souls. These are distributed through the different wards as follows, viz :—

	Males.	Females.	Totals.
St. Mary's Ward	2,825	2,682	5,507
St. George's Ward	1,985	2,147	4,132
St. Lawrence's Ward	2,235	2,516	4,751
St. Andrew's Ward	2,362	2,028	4,290
St. Patrick's Ward	1,591	1,863	3,454
			22,134

This number shows an increase of 3,038 over that returned by the census of 1861. The military

has, of course, made up a share of this increase, there being at present settled amongst us 1,200 souls, men, women, and children all told. Thus, we have a natural growth, in two years, of nearly 2,000 inhabitants. This is a sign of prosperity which augurs well for the future healthy rise and progress of Hamilton. On the removal of the incubus which has held her down for the past few years (and we expect soon to see it disappear) her motto, "I advance," will be no empty boast, but the indication, as it once was, of a prosperity and growth hitherto unequalled by any other city in Western Canada.

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To THOMAS GALT, Esq., Queen's Counsel,

Toronto.

HOUSE OF ASSEMBLY,

Quebec, 24th March, 1863.

MY DEAR SIR,—You are no doubt aware of the use that has been made of your name in stopping the Hamilton Bill embodying the views of Mr. Cameron, though I assured the House that your objection, I believed, was only one of detail, viz: as to the period up to which the city should pay the full interest. The present is a most critical period for Hamilton, and scarcely less so for its bondholders. I cannot illustrate this better than by saying that if I thought no legislative arrangement of the city's affairs could be got, and that we were to remain in the hands of the Sheriff, I would, in going home through Montreal, arrange for the removal of our business to that city; and the wholesale trade of Hamilton gone, its bonds would be worth very little. In these circumstances, I have felt it my duty to ask the Mayor, Mr. Thomas C. Street and Dr. Clark of Guelph, to meet me in Toronto on Saturday, to see you with Mr. Cameron. In the mean time I may tell you that Government refuses to give to the city the Burlington Bay Canal. Former Governments had offered it to us on condition of keeping it up, which we refused, but we now feel it a duty to our creditors to take it *now*, in order, if possible, to raise money on the security of the tolls to assist the payment of our arrears, even although our former decisions were likely to be true—that in the long run it would be a bad bargain for the city. We, of course, could still levy harbour dues under the Act I got for Hamilton in 1861, but as this would be entirely a drawback to the city, the same policy which has triumphed, of continuing moderate assessments, will probably dictate that those dues (as prejudicing people at a distance against Hamilton), would injure the trade and reduce its employment more than the five cents on the dollar which they might produce were worth. It may be found better for the city and its creditors that Hamilton should join with Dundas, and with the Great Western and Port Dover lines of Railway, in agreeing to keep up, among them, the Canal, thus keeping it free of canal toll.

Hamilton is thus thrown upon its assessment roll as its only means of satisfying its creditors, and nothing but the certainty of moderate taxes will prevent the city going down. I, however, am one of those who believe that if, by legislation, the citizens were secured in moderate taxes *for the future*, they could, and at any rate ought to attempt to pay up this year their arrears of interest up to the present time. This would require 30 cents in the dollar to be added to the rate already struck of 20 cents.

It is clear to me, however, that if either accumulation is allowed to go farther, or if your constituents insist on the full interest being paid farther than to 1st January, 1862, the above attempt would fail. As I shall show below, the city, even after paying 50 cents this year, would still owe $163,301 05, besides the bonds, $2,267,398, viz:—

Capital due in	1861	$17,280 00
do	1862	23,380 00
do	1863	39,930 71
Due to Bank		48,485 55
Due to Government		34,224 79
		$163,301 05

The not raising the city's taxes over 20 cts. in the dollar, in addition to about five cents—the water rate, has already led to the return of about one-half of the population that had to remove elsewhere from want of employment, and the certainty of this being permanent, under legislation, would soon make Hamilton rising and prosperous again.

Our present position, however, as a city is a very desperate one, and as it seems vital that you should not at the moment misapprehend our position, I now send, for your information, the detailed statement of its affairs which Hamilton has just laid before Parliament.

You will observe that the city's debenture debt is $2,267,598 still to mature, and with our annual assessment reduced to $500,000—one-half of what it once was—we have still arrears of.....$504,362

Viz: arrears of 1861 interest.....	$ 6,832 58	
Interest, at 6 per cent., due 1st January, 1862.....	67,503 57	
Do two years, up to 1st January 1864.....	267,024 94	
		341,061
Debentures over due.....	80,590 71	
Due to Bank.....	48,485 55	
Due to Government.....	34,224 79	
		163,301
		$504,362

I think, therefore, you must see that the terms proposed by Mr. Cameron are the utmost the creditors could squeeze out of the citizens without destroying the city, while it is clear that half the amount would not be got by its creditors should the city go down.

The city's expense of government has been reduced to the lowest point possible, and its ordinary outlay is now met by its ordinary revenue, within about five cents in the dollar. This 5 cents, and 15 cents for interest of debt, in addition to water-rate, is the utmost the city can prosper under, and, *even for one year*, probably not 4-5ths of the citizens could pay the additional rate of 80 cents, to which I have alluded as the utmost effort of which Hamilton is capable.

In order to secure the unspeakable advantage of a *certainty of low taxation for the future*, I think that 4-5ths of the citizens could manage to pay, by borrowing, if not otherwise, as the passage of the Act would increase the value of property in the city ten times the amount of the additional 80 cents assessment. 15 cents for the city's creditors on $500,000, would give $225,000 to provide for $207,548, viz:—

Amount of arrears of interest, as shown on page 4.....	$341,061	
Deduct 3 per cent. interest on 1862, 1863, according to Mr. Cameron's proposition.....	133,513	
	$207,548	

The creditors will, I feel well assured, come to see that no place in Canada but Hamilton could have stood up under all our overwhelming difficulties as we have done, or could have done so much for the safety and interest of the bondholders, although they could not see this at the time.

I have only to hope that through wise councils prevailing, when we meet at Toronto, a happier prospect for all parties may be inaugurated.

Yours faithfully,

ISAAC BUCHANAN.

M. Baby.